



STATE OF CALIFORNIA

GAVIN NEWSOM, Governor

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

**FILED**

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June 30, 2022

**Agenda ID #20773**  
**Ratesetting**

TO PARTIES OF RECORD IN APPLICATION 21-05-007:

This is the proposed decision of Administrative Law Judge Jason Jungreis. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's August 4, 2022 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ ANNE E. SIMON

Anne E. Simon

Chief Administrative Law Judge

AES:sgu

Attachment

Decision **PROPOSED DECISION OF ALJ JUNGREIS** (Mailed 6/30/2022)

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of AT&T Corp. (U5002C)  
to Discontinue Providing Residential  
Service in Frontier Territory and  
Relinquish Eligible  
Telecommunications Carrier  
Designation.

Application 21-05-007

**DECISION AUTHORIZING AT&T CORP. TO DISCONTINUE PROVIDING  
RESIDENTIAL SERVICE IN FRONTIER TERRITORY AND RELINQUISH ITS  
ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION**

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**DECISION AUTHORIZING AT&T CORP. TO DISCONTINUE PROVIDING  
RESIDENTIAL SERVICE IN FRONTIER TERRITORY AND RELINQUISH ITS  
ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION**

**Summary**

This decision authorizes AT&T Corp. to discontinue providing residential service in the service territory of Frontier California. AT&T Corp. may do so as it has met all requirements found in the California Public Utilities Commission's telecommunications Mass Migration Guidelines, and such additional requirements as were set in this proceeding. AT&T Corp. is also authorized to relinquish its eligible telecommunications carrier designation, as it no longer services residential customers in California.

Application 21-05-007 is closed.

**1. Procedural Background**

On May 14, 2021, AT&T Corp. (U5002C) (AT&T) filed its Application. The Application requested that the California Public Utilities Commission (Commission) approve its requests to discontinue providing residential service in the territory of Frontier California (U1002C) (Frontier) and to relinquish its Eligible Telecommunications Carrier (ETC) designation. AT&T sought to complete the migration of its approximately 2700 residential customers to Frontier by September 27, 2021, and consequently, AT&T requested that the Commission issue a final decision by September 23, 2021 (AT&T contends that this timing is determined by the Commission's Telecommunications Mass Migration Guidelines (Guidelines), the conformance with which is a central issue in the proceeding<sup>1</sup>).

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<sup>1</sup> See Decision (D.) 10-07-024, Attachment 3, Mass Migration Guidelines.

On May 21, 2021, Resolution ALJ 176-3486 preliminarily set the categorization of this proceeding as ratesetting.

On June 23, 2021, a prehearing conference (PHC) was held. At that time, the following entities appeared and moved for party status pursuant to Rule 1.4(a)(3): The Public Advocates Office (Cal Advocates), The Utility Reform Network (TURN), and the Center for Accessible Technology (CforAT) (singly or together, Intervenor or Intervenors). The motions for party status were later granted.

On July 1, 2021, an Administrative Law Judge (ALJ) Ruling was issued directing the parties to provide further information, to which all parties timely responded.

On August 2, 2021, the Scoping Memo was issued by the assigned Commissioner. It identified the issues to be determined, and enabled parties to seek an evidentiary hearing. It also set forth the proceeding's schedule, required AT&T to serve and file redacted customer migration progress reports, required the filing of an August 25, 2021, filing of a joint party statement regarding AT&T's compliance with the Guidelines, and set a September 1, 2021, status conference (STC) regarding AT&T's compliance with the Guidelines. The Guidelines have certain specific informational requirements regarding Customer Notices informing customers of their options for choosing a new service provider, terminating their services, or being migrated from AT&T to Frontier. On June 28, 2021, AT&T had sent its First Customer Notice, in compliance with the Guidelines and after Commission Telecommunications Division staff (Commission Staff) review. On July 28, 2021, AT&T sent its Second Customer Notice. However, the Second Customer Notice was not reviewed by the Communications Division Director per se, as required by the

Guidelines.<sup>2</sup> Therefore, AT&T proposed to send a Third Customer Notice that would be reviewed by the Communications Division Director. On July 29, 2021, AT&T submitted a proposed Third Customer Notice to Commission Staff. On September 1, 2021, the STC was held, and discussion focused on compliance with the Guidelines and ensuring adequate notice to customers regarding the migration. The details of a Third Customer Notice were discussed, in conjunction with discussion of the Guidelines' requirements and Intervenor's proposals for the form and content of a Third Customer Notice.

On September 14, 2021, an ALJ Ruling was issued that proposed content for the Third Customer Notice and directed parties to provide comment and alternative proposed content for the Third Customer Notice, and modified the proceeding schedule. On September 17, 2021, parties filed opening comments regarding the Third Customer Notice. On September 20, 2021, a further ALJ Ruling was issued directing parties to provide proposed red-line versions of the Third Customer Notice. On September 22, 2021, Intervenor's filed a joint response with a proposed red-line version of the Third Customer Notice. On September 24, 2021, parties filed reply comments regarding the proposed Third Customer Notices.

On September 30, 2021, the Intervenor's filed a Joint Motion for public participation hearing (PPH), citing a risk of "customer confusion."<sup>3</sup> On

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<sup>2</sup> Both the First Customer Notice and the Second Customer Notice had been reviewed and accepted by Commission Staff as part of AT&T's Exit Plan, but the Guidelines also require the Second Customer Notice to be expressly approved by the Communications Division Director.

<sup>3</sup> At that time, it had come to the Commission's attention that somehow an erroneous message was conveyed to the broader California telecommunications-interested community that AT&T, in toto, was seeking to exit all forms of its California services. As a result, the Commission's public meetings were inundated with commenters responding to that erroneous message (here, all of the "Public Comments" received by the Commission on the proceeding's available Public

*Footnote continued on next page.*

October 19, 2021, there was an ALJ Ruling setting a remote PPH. On October 29, 2021, AT&T issued the Third Customer Notice, which had been approved by the Communications Division Director and set December 16, 2021, as the date for the start of the involuntary migration (i.e., moving customers from AT&T to Frontier if they had not either cancelled their service or transferred their service to an alternate service provider). On November 16, 2021, the PPH was held.<sup>4</sup> Two Commissioners attended the PPH. A Commissioner, an ALJ, Commission staff, and each party representative and a representative from Frontier spoke at the PPH.

AT&T regularly filed Progress Reports regarding the migration. The second Progress Report stated that there was a total of 2,879 telephone lines (as AT&T stated in its Application, some customers had multiple lines). On January 26, 2022, the final Progress Report stated that all lines had been successfully migrated. On February 4, 2022, AT&T and Frontier filed a Joint Declaration stating that all of AT&T's original customers had either voluntarily cancelled their service, voluntarily transferred their service to an alternate service provider, or been successfully migrated from AT&T to Frontier.

Regarding testimony and evidence, on December 22, 2021, parties filed a Joint Motion requesting admission of all submitted party testimony and evidence, and that Joint Motion is hereby granted.<sup>5</sup> Simultaneously, a Motion to

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Comments tab on the proceeding's Docket were, essentially, responding to erroneous concerns as to the nature of the Application or migration). In part, the granting of the Joint Motion for a PPH was reflective of the Commission's desire to correct this erroneous understanding of the events concerning this AT&T Application and migration.

<sup>4</sup> Thirty-six callers attended the PPH. Four people made comments during the PPH (none of whom was a customer from the AT&T territory).

<sup>5</sup> The admitted testimony is as follows:

*Footnote continued on next page.*

Seal Portions Of The Evidentiary Record was filed by Cal Advocates. That Motion was unopposed, and it is hereby granted.<sup>6</sup>

On December 23, 2021, in response to an ALJ Ruling, AT&T filed a Reconciliation Report regarding LifeLine customers. On December 27, 2021, CforAT filed its Opening Brief. On December 29, 2021, AT&T and Cal Advocates timely filed their respective Opening Briefs. On January 11, 2022, AT&T and Cal Advocates filed their respective Reply Briefs.

On February 8, 2022, with the filing of the Joint Declaration regarding the voluntary cancellation, voluntary transfer, or successful migration of all customers, this proceeding was submitted, and the record was deemed complete.

## **2. Issues Before the Commission**

As defined in the August 2, 2021, Scoping Memo, the issues in this proceeding are as follows:

1. Whether the Application and related documents and actions meet all Commission requirements sufficient to grant authorization AT&T to discontinue providing residential service in Frontier territory, including continuity of voice service and preventing double

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Exhibit ATTCorp - 01: Opening Testimony of Mark Berry (Sept. 29, 2021).

Exhibit ATTCorp - 02: Reply Testimony of Mark Berry (Dec. 10, 2021).

Exhibit CalAdv - 01-C: Opening Testimony of Cameron Reed (Confidential version) (September 29, 2021).

Exhibit CalAdv - 01-P: Opening Testimony of Cameron Reed (Public version) (Sept. 29, 2021).

Exhibit CalAdv - 02: Reply Testimony of Cameron Reed (Dec. 10, 2021).

Exhibit CforAT - 01: Opening Testimony of Melissa Kasntiz (Sept. 29, 2021).

<sup>6</sup> The Motion by Cal Advocates is pursuant to data requests it had propounded upon AT&T, to which AT&T responded that certain provided information was confidential, and which accounts for Cal Advocates' Exhibit CalAdv - 01-P, which shall be available as part of the public record.



migration in disadvantaged communities and on Tribal Lands.

2. Whether the Application and related documents and actions warrant the Commission to allow AT&T to relinquish its ETC designation.

### **3. Discussion**

#### **3.1. Communications Utility Responsibilities to its Customers Pursuant to the Commission's Mass Migration Guidelines**

The Guidelines adopted in D.06-10-021, as modified in D.10-07-024, set out a Commission-managed process, applied when a Competitive Local Exchange Carrier (CLEC), such as AT&T, seeks to discontinue providing local exchange services: the stated objective of the Guidelines is for the CLEC to “give its customers the opportunity to migrate to another local exchange carrier without interruption of service.”<sup>7</sup> Adherence to the Guidelines is overseen by Commission Staff, and requires the departing CLEC to file an Exit Plan and Industry Notification to carriers potentially affected by the discontinuance of service, and notification to affected customers.<sup>8</sup> Affected customers must be notified at least 60 days in advance of the final service termination date, and a second notice must be given to customers who have not taken action to select a carrier.<sup>9</sup>

In further detail, the Guidelines require submission of customer list information and progress reports to Commission Staff. It also includes technical information, such as the procedures for transferring NXX codes and unlocking telephone numbers in the E-911 database. It also establishes criteria for the

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<sup>7</sup> Guidelines at 1.

<sup>8</sup> *Id.* at 3-6.

<sup>9</sup> *Id.* at 7-8.

Commission's approval of a CLEC's termination of service, and for appointment of a default carrier if the exiting carrier has not found an arranged carrier to serve the customers who have not voluntarily selected an alternative carrier.<sup>10</sup>

The following is a series of excerpts from the Guidelines:

## II. General Principles

The goals of these mass migration guidelines are to:

1. Ensure that customers do not lose essential local voice service when their local service provider exits the market.
2. Maintain the ability of regulators to monitor events and assist parties if needed.
3. Avoid double migrations whenever possible.  
Double migrations are generally the product of timing constraints where the customer is migrated initially without their action to an "Arranged Carrier" or a "Default Carrier" and then again to the carrier of the customer's choice. For purposes of these guidelines, an "Arranged Carrier" is a carrier with whom the exiting CLEC has negotiated a lawful and feasible business arrangement to serve those customers of the exiting CLEC who do not voluntarily choose a replacement carrier in the time provided under these Guidelines. A "Default Carrier" is either a carrier who has agreed, at the Commission's request, to serve those customers of the exiting CLEC who do not voluntarily choose a replacement carrier or is the underlying carrier or carrier of last resort selected by the Commission to serve those customers.
4. Require that the CLEC give its customers ample notification to allow the customers to select the carrier of their choice.
5. Comply with federal and state laws and regulations.
6. Coordinate information flow and activities through a project management team.

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<sup>10</sup> *Id.* at 9-17.

7. Ensure that the exiting CLEC provides sufficient network information for each facilitating ILEC or other underlying Network Service Provider and each customer's new retail carrier to migrate its customers seamlessly.<sup>11</sup>

The Guideline's itemized Exit Plan identified 18 specific elements that must be addressed.<sup>12</sup> Similarly, the Industry Notification identifies a number of actors in the communications sector who must be provided service of these documents.<sup>13</sup>

Finally, the Guidelines provide a host of specific requirements to ensure that customers are fully informed, which reads as follows:

V. Customer Notification  
A. Timeline

Carriers involved in mass migrations must meet the following timelines in order to ensure enough time to migrate customers:

- Exiting CLEC (and, when applicable, any Arranged Carriers) must (jointly) notify customers 60 days in advance of the final service termination date. This letter must comply with FCC [Federal Communications Commission] and Commission requirements including a listing of the service rates and terms of any Arranged Carrier named in the notice.
- In accordance with FCC requirements, any Arranged Carrier or Default Carrier named in a customer notice must provide its potential end user customers 30 days to make an informed decision before it begins migrating customers. Thus, the first 30-day segment after the initial notification will be the FCC mandated 30-day decision period. The next 30 days after the notice will be used by the

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<sup>11</sup> *Id.* at 1-2.

<sup>12</sup> *Id.* at 4-5.

<sup>13</sup> *Id.* at 5-6.

Arranged Carrier or Default Carrier to begin migrating customers who have not made other carrier selections.

- If the exiting CLEC or any Arranged Carrier or Default Carrier is unable to meet one or more of these deadlines, it may request that the Director of the Telecommunications Division waive the deadline(s). If the Director of the Telecommunications Division waives the above-prescribed deadline(s), the CLEC and its Arranged Carrier(s) or Default Carrier(s) shall meet any other deadline(s) as may be prescribed.

#### B. Contents

Appendix A to these guidelines contains two sample letters that illustrate what information must be included in the letter to be sent by the exiting CLEC that is notifying the customer of discontinuing service. Letter 1 represents the information that the exiting CLEC must send to the customer when there is an Arranged Carrier named as a potential service provider. Letter 2 represents the information that the exiting CLEC must send to the customer when the exiting CLEC has not made any customer service arrangements with any other Arranged Carrier. Decision 96-10-076's in-language requirement, that notice is provided in the language used to sell the services, applies to these notices.

The appropriate customer notification letter should include the following elements at a minimum:

- Identify the new Arranged Carrier, if applicable.
- State the customer's right to choose an alternative carrier in all types of mass migrations and refer the customer to the Customer Guide Section of the local white pages directory for listings of alternative carriers.
- State the customer's need to take prompt action when there is no Arranged Carrier or the customer will be assigned to another carrier.
- Provide clear instructions to the customer regarding the choice of an alternative provider, including a list of the services impacted by the change in service provider.

- Provide a toll-free number for the exiting carrier and the Arranged Carrier(s), if any.
- Clearly state time deadlines for customer action in accordance with the Commission's Mass Migration Guidelines.
- Applicable information about long distance service and whether it may be impacted by the cutover.
- State the customer's responsibility for payment of telephone bills during the migration period.
- Describe the changes, if any, in rates, charges, terms, or conditions of service.

A second notice must be given to each customer who has not taken action to select a carrier. The timeframe of the second notice will depend upon the circumstances of the migration. The form of the second notice generally will be left to the discretion of the exiting carrier and could include any, or all of, the following: a follow-up letter, a telephone call to the customer, a bill insert, or any other effective means of direct contact with the customer. If there is a default carrier, the second notice must provide its name and toll-free contact number. CLECs, Arranged Carriers, and Default Carriers must submit notification letters to the Commission's Public Advisor and to the Telecommunications Division for approval.

Mass migrations involving an Arranged Carrier must identify a cut-off date. The cut-off date is defined as the date after which customers will have to wait until the mass migration is completed before they can obtain local exchange service from a different provider. When the customer is notified 60 days in advance of the proposed service termination date, the cut-off date will be 30 days from the scheduled migration. This cut-off date is intended to ensure that the customer has adequate time to make a decision and that the Arranged Carrier has adequate time to send out notification information concerning the scheduled migration. Customers who have not selected an alternative provider by the cut-off date will

then be transferred to the Arranged Carrier. If pursuant to Section V. A, above, the Commission permits a customer notice interval of less than 60 days, the Commission will also establish a cut-off date. Regardless, the notification process must allow the customer 30 days to select a new local carrier.

Customer notice for mass migrations involving a Default Carrier also must include a cut-off date.

The Guidelines then go on, in Section V. “Customer Notification,” to detail the specific timelines in which customers must be noticed “in order to ensure enough time to migrate customers.” Customers must be notified “60 days in advance of the final service termination date. This letter must comply with FCC and Commission requirements including a listing of the service rates and terms of any Arranged Carrier named in the notice.”<sup>14</sup>

Further, pursuant to customer notification, the arranged carrier “must provide its potential end-user customers 30 days to make an informed decision before it migrates customers. Thus, the first 30-day segment following initial notification will be the FCC mandated 30-day decision period.” The Guidelines go on to note that the assigned ALJ or the assigned Commissioner can “waive” these prescribed timelines.<sup>15</sup>

Regarding the content of the customer notices, the Guidelines prescribe clear rules, and also provide sample letters in its Appendix. The Guidelines clearly state that “Decision 96-10-076’s in-language requirement, that notice be provided in the language used to sell the services, applies to these notices.”<sup>16</sup>

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<sup>14</sup> *Id.* at 6-7.

<sup>15</sup> *Id.* at 7.

<sup>16</sup> *Id.* at 8.

The Guidelines also provides a clear statement of the contents of the customer notification letter, identifying the following elements:

- Identify the new Arranged Carrier, if applicable.
- State the customer's right to choose an alternative carrier in all types of mass migrations and refer the customer to the Customer Guide Section of the local white pages directory for listings of alternative carriers.
- State the customer's need to take prompt action when there is no Arranged Carrier or the customer will be assigned to another carrier.
- Provide clear instructions to the customer regarding the choice of an alternative provider, including a list of the services impacted by the change in service provider.
- Provide a toll-free number for the exiting carrier and the Arranged Carrier(s), if any.
- Clearly state time deadlines for customer action in accordance with the Commission's Mass Migration Guidelines.
- Applicable information about long distance service and whether it may be impacted by the cutover.
- State the customer's responsibility for payment of telephone bills during the migration period.
- Describe the changes, if any, in rates, charges, terms, or conditions of service.

This section of the Guidelines goes on to specifically state as follows:

The form of the second notice generally will be left to the discretion of the exiting carrier and could include any, or all of, the following: a follow-up letter, a telephone call to the customer, a bill insert, or any other effective means of direct contact with the customer. If there is a default carrier, the second notice must provide its name and toll-free contact number.

CLECs, Arranged Carriers, and Default Carriers must submit notification letters to the Commission's Public Advisor and to the Telecommunications Division for approval.

Mass migrations involving an Arranged Carrier must identify a cut-off date. The cut-off date is defined as the date after which customers will have to wait until the mass migration is completed before they can obtain local exchange service from a different provider. When the customer is notified 60 days in advance of the proposed service termination date, the cut-off date will be 30 days from the scheduled migration. This cut-off date is intended to ensure that the customer has adequate time to make a decision and that the Arranged Carrier has adequate time to send out notification information concerning the scheduled migration. Customers who have not selected an alternative provider by the cut-off date will then be transferred to the Arranged Carrier. If pursuant to Section V. A, above, the Commission permits a customer notice interval of less than 60 days, the Commission will also establish a cut-off date. Regardless, the notification process must allow the customer 30 days to select a new local carrier.

Customer notice for mass migrations involving a Default Carrier also must include a cut-off date.<sup>17</sup>

The Guidelines go on to provide yet further details of the Mass Migration process, including the required identification of a program manager; the management of the customer list including as to content, form, submission, and updating, and identification of possible "priority" or "essential" customers, and data elements for "at risk" customers; and, the submission of Progress Reports to enable Commission staff to track the migration.<sup>18</sup>

Finally, the Guidelines express the criteria for Commission approval of the migration. "If a CLEC fails to comply with the Guidelines, Staff, the assigned

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<sup>17</sup> *Id.* at 8-9.

<sup>18</sup> *Id.* at 9-13.



ALJ and/or the assigned Commissioner may recommend that enforcement proceedings be initiated to consider fines and/or restrictions on future operating authority of owners, partners, directors, officers, and/or affiliates.”<sup>19</sup>

The Guidelines make clear that the approval of the CLEC’s termination of service depends upon the effectiveness of its Exit Plan and the execution of its Exit Plan<sup>20</sup>:

A CLEC who has not filed an effective Exit Plan or has not executed its Exit Plan properly is unlikely to receive Commission approval to leave the market. However, even in the best case scenario where an Exit Plan has been properly followed, there may be customers who will not be fully migrated, or migrated at all, at the time the exiting carrier would like to terminate service. In deciding whether to approve a CLEC’s Application to withdraw, the Commission will be guided by its view of what is in the public interest. Specifically, the Commission will consider the following factors when deciding upon a CLEC’s Application to withdraw:

Progress of Customer Migrations – The Commission will consider the number of local service customers that have not yet switched to an alternate local service carrier, or have not made firm arrangements to switch to another local carrier. The greater the number of customers who are in jeopardy of losing their local service altogether, the higher the likelihood that the exiting CLEC’s request for termination on a specified date will be denied.

Availability of Alternatives – The Commission will consider the ease with which customers who have not switched to another local carrier will be able to obtain alternate local service based on facilities available in the absence of the exiting carrier.

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<sup>19</sup> *Id.* at 14.

<sup>20</sup> *Id.* at 14-15.

Nature of the Customer Base - The Commission will consider the nature of the customer base that is in jeopardy of losing local service, despite the best efforts of the exiting carrier. In particular, the Commission will not ordinarily approve the exit from the market by any carrier where the result will be loss of local service to the following types of end users:

a) national security or civil defense authorities, b) hospitals, c) police, d) fire departments, e) ambulance and rescue corps, and f) any customer who has obtained Telecommunications Service Priority (TSP) authorization under FCC regulations from the federal government.

These Guidelines place additional requirements on CLECs voluntarily exiting the California market. Nothing in these Guidelines shall limit the right to exercise any right that an ILEC, or any other carrier providing service to or interconnecting with a CLEC, may have under an interconnection or resale agreement, a tariff, a court order, or otherwise, to suspend or terminate its provision of interconnection, network elements, or services, to a CLEC. If the CLEC has received such a notice, it should provide that information in its application. Some termination notices might change a planned voluntary exit to an involuntary exit; these Guidelines do not apply to involuntary exits. Once an exiting carrier has an Application and Exit Plan on file with the Commission, the ILEC or other carrier providing service to or interconnecting with a CLEC must notify Staff 30 days prior to suspending or terminating interconnection, network elements, or services to the exiting CLEC when such suspension or termination will result in customers losing essential voice services.

In sum, the Guidelines are designed to provide step-by-step directions, including model examples, fitting just such circumstances as are found in this proceeding. AT&T, as the CLEC, is seeking to terminate services to its customers, and it worked cooperatively with Frontier, the Arranged Carrier, to comply with the Guidelines and successfully migrate its customers. All of

AT&T's steps were undertaken with the review, oversight, and approval of the Commission Staff, and were determined to be in full compliance with the Guidelines.

### **3.2. AT&T Successfully Discharged its Responsibilities Regarding the Mass Migration of its Customers**

The facts of this proceeding illustrate a simple process. First, the total number of AT&T customers at issue was approximately 2700 residential customers with a total of approximately 2900 telephone lines.<sup>21</sup> Second, there were no reported "priority" or "essential" customers (such as hospitals, fire departments, police departments, etc.): the customer base consisted solely of residential customers.<sup>22</sup> Third, and perhaps unusually, Frontier, the Arranged Carrier, was already the underlying Network Service Provider in the territory, meaning that, while the customers were receiving service from AT&T, the actual equipment, wiring, and hardware all belonged to Frontier, and AT&T was in effect using the Frontier network to provide service to its customers.<sup>23</sup>

AT&T complied with the Guidelines' requirements and model for its First Customer Notice, sent June 28, 2021, which was timely under the Guidelines. As required, the information on that First Customer Notice was in the language that such sales of services had been made. As required, it provided detailed information regarding the respective AT&T and Frontier billing packages.<sup>24</sup>

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<sup>21</sup> Application at 1.

<sup>22</sup> AT&T Progress Reports.

<sup>23</sup> AT&T Opening Brief at 7.

<sup>24</sup> AT&T's Application included its Customer Notice which provided a detailed comparison of AT&T's costs and Frontier's costs. Cost information included the following: Unlimited Calling -- AT&T \$39.95/mo. v. Frontier \$22.50/mo., and LifeLine - AT&T \$19.22/mo. v. Frontier \$8.84/mo. As additional calling features are added, the cost comparison could narrow.

And, as required, it included information regarding how to try to locate alternative service providers.<sup>25</sup>

The Second Customer Notice, sent July 28, 2021, which was also timely under the Guidelines, essentially captured the same information as the First Customer Notice.<sup>26</sup>

Commission Staff were provided with AT&T's draft Application and AT&T's draft Exit Plan (attached to the Application), and the proposed First Customer Notice and proposed Second Customer Notice were part of the draft Exit Plan.<sup>27</sup> Commission Staff reviewed the Application, the proposed Exit Plan, and the proposed First Customer Notice and the proposed Second Customer Notice, and did not propose or direct any changes to the Application or the Exit Plan. AT&T complied with a Commission Staff proposal regarding changes to the Customer Notices regarding the inclusion of AT&T and Frontier service comparison pricing.<sup>28</sup> No party asserted that AT&T's First Customer Notice or Second Customer Notice failed to comply with the Guidelines.

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<sup>25</sup> Exhibit ATTCorp – 01 at 17-20.

<sup>26</sup> *Id.* at 21-23.

<sup>27</sup> As noted above, while both the First Customer Notice and the Second Customer Notice were part of the approved draft Exit Plan, and while the Second Customer Notice is identical to the approved First Customer Notice except for identifying itself as the Second Notice and having a different date (*see* Application at Attachments B and C), the Guidelines contains a requirement for the Communications Division Director to approve the Second Customer Notice.

<sup>28</sup> *Id.* at 5. The revised Customer Notices were resubmitted to Commission Staff prior to mailing, with no further response from Commission Staff.

After an opportunity for parties to provide input, AT&T issued a Third Customer Notice.<sup>29</sup> The Third Customer Notice was approved by Commission Staff and mailed by AT&T on October 29, 2021.

On December 16, 2021, in accordance with the approved Third Customer Notice, AT&T and Frontier began the migration of those customers who had not already selected another service provider or who had not elected to terminate their telephone service. In accordance with the Guidelines, AT&T submitted its Progress Reports as to the migration of customers, on an approximate bimonthly basis, such that it filed and served a total of 16 such Progress Reports (all such publicly provided Progress Reports were appropriately redacted for purposes of protecting customer privacy). On February 4, 2022, pursuant to a ALJ Ruling directing such, AT&T and Frontier filed a Joint Declaration attesting to the successful migration from AT&T to Frontier of all AT&T customers who had not selected another service provider or who had not elected to terminate their telephone service.

Commission Staff approved of all measures taken by AT&T in relation to its Exit Plan, its Customer Notices, and the migration of its customers, and no one asserts that the AT&T's customers were not successfully migrated.

The record reflects that AT&T complied with the Guidelines.

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<sup>29</sup> Comments were directed pursuant to ALJ Ruling attaching a proposed Third Customer Notice. The following filings addressed the Third Customer Notice content:

AT&T Opening Comments  
Cal Advocates Opening Comments  
CforAT Opening Comments  
TURN Opening Comments  
Joint Intervenor Redline of Third Customer Notice  
AT&T Reply Comments  
Joint Intervenor Reply Comments

### **3.3. No Additional AT&T Migration Compliance Requirements Are Warranted**

Intervenors asserted that AT&T should take a series of additional measures because, as the Intervenors argued, AT&T's Application "failed to establish that Applicant withdrawing from the California market is in the public's interest."<sup>30</sup> In establishing the Guidelines, the Commission allowed flexibility for measures because it could not anticipate all factual circumstances surrounding all potential future possible applications.

Here, Cal Advocates<sup>31</sup>, CforAT<sup>32</sup>, and TURN<sup>33</sup> asked the Commission to include measures that are not specifically found in the Guidelines. Although the

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<sup>30</sup> August 25, 2021, Joint Statement at 8.

<sup>31</sup> See July 8, 2021, Cal. Advocates Response to ALJ Ruling at 4. The measures Cal Advocates requested the Commission impose included:

1. Identification of how discontinuation of AT&T service impacts customers, particularly LifeLine, deaf and disabled, and medical baseline customers.
2. Determination as to whether AT&T customers will receive comparable service from Frontier.
3. Determination of whether customers will be transferred to Voice Over Internet Protocol service.
4. Determination of cost impacts, such as termination or installation fees.
5. A series of additional Notice elements not found in the Guidelines.

<sup>32</sup> See July 9, 2021, CforAT Response to ALJ Ruling at 4. The measures CforAT requested the Commission impose included:

1. Ensure that customers with disabilities who would be affected by the transition will not be harmed.

<sup>33</sup> See July 9, 2021, TURN Response to ALJ Ruling at 3-5. The measures TURN requested the Commission impose included:

1. Mitigation measures to reduce, if not eliminate, any negative impacts on customers.
2. Determine the impact on competition.
3. Determine the nature of alternatives.
4. Mitigation measures to reduce the potential harm from paying higher prices with Frontier.

*Footnote continued on next page.*

Intervenors asserted such additional measures were in the public interest, the arguments were unsupported. While the Commission could require additional measures if the factual circumstances warranted specific additional measures, we find that additional measures are not required here to meet the public interest.

Here, AT&T, a CLEC, filed an Application, seeking to migrate approximately 2700 residential customers, a relatively small customer group in comparison to other applications for mass migrations.<sup>34</sup> Moreover, as noted above, AT&T was migrating those customers to Frontier, the Arranged Carrier, which was already the underlying Network Service Provider in the territory, which, as noted above, meant that while AT&T's customers were receiving service from AT&T, the actual equipment, wiring, and hardware used to provide that service belonged to Frontier.

Here, the Commission took the added precaution of holding a PPH given the large number of comments received during more than one voting meeting. Further, the Commission provided Intervenors opportunities to voice their proposed input into a Third Customer Notice. Lastly, the Commission did not

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5. Mitigation measures to reduce harm if Frontier raises its prices in two years or imposes fees on customers wishing to move to a different provider.
  6. Determine steps Frontier has taken to ensure there would be no disruption of service or problems with billing.
  7. Determine steps taken to ensure no disruption of LifeLine service.
  8. Determine steps to prevent harm from potential LifeLine rate increases.
  9. Determine "compliance plans and other mitigation measures [that] prevent potential harms to California ratepayers generally."

<sup>34</sup> See, Application (A.) 07-02-024 (concerning approximately 242,179 residential customers), A.07-11-014 (concerning approximately 12,609 residential customers), A.08-12-020 (concerning approximately 16,500 residential customers), and A.16-09-002 (concerning approximately 4,631 residential customers).

conclude this proceeding until it received proof by way of Declarations from both the exiting CLEC and the Arranged Carrier that the migration had been successfully completed.

The Commission took all necessary steps to assure that AT&T's application to discontinue residential service and migrate its customers was consistent with the Guidelines and that its customers understood their options and could successfully complete the migration.

We find that AT&T complied with the Guidelines and with such acts as were deemed reasonably necessary for this proceeding.

**3.4. AT&T May Relinquish its Designation as Eligible Telecommunications Carrier and Discontinue its Status as a LifeLine Service Provider**

AT&T's Application requested authority to relinquish its designation as an Eligible Telecommunications Carrier (ETC) in California and discontinue its status as a LifeLine service provider. Regarding AT&T's ETC designation in California, AT&T properly cited to 47 United States Code § 214(e)(4) and the United States Code of Federal Regulations § 54.205(a) and (b). In this circumstance (in which telecommunications facilities already exist), to relinquish its ETC designation, advance notice of the request must be provided to the appropriate state commission and the service area must continue to be served by another ETC.

In California, AT&T provided LifeLine-only ETC service only in Frontier territory, a service area served by Frontier as an ETC provider (as well as other ETC wireline and wireless providers).<sup>35</sup> On May 14, 2021, by the filing of the Application, AT&T provided advance notice to the Commission of its request,

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<sup>35</sup> Exhibit ATTCorp - 01 at 8.



made more than 120 days in advance of the proposed service termination date, and more than 200 days prior to the December 16, 2021, cutoff date set by the Commission. As discussed above, AT&T provided ample notice to its residential service customers through its June 28, 2021, First Customer Notice, through its July 29, 2021, Second Customer Notice, and finally through its October 29, 2021, Third Customer Notice.<sup>36</sup> As discussed above, as a result of migration, all of AT&T's LifeLine customers (that did not either terminate service or move to another provider) continued to be served by Frontier as their ETC provider. AT&T has presented evidence that it no longer serves residential customers in California.<sup>37</sup> On December 14, 2021, the FCC granted AT&T's application to discontinue AT&T Residential Local Service throughout its service territory in California.<sup>38</sup>

No parties presented testimony or evidence that the Commission should deny AT&T's request to relinquish its designation as an ETC or its request to discontinue its status as a LifeLine service provider.

For these reasons, we find that AT&T may relinquish its designation as an ETC and discontinue its status as a LifeLine service provider.

#### **4. Comments on Proposed Decision**

The proposed decision in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were

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<sup>36</sup> In addition to the customer notice letters, AT&T made live phone calls to affected residential service customers during the months of July and December and sent bill page messages during the months of August and December (Exhibits ATTCorp - 01 at 6; ATTCorp - 02 at 6, 9).

<sup>37</sup> See DA 21-1554, *Application of AT&T Services, Inc., on Behalf of its Affiliate, AT&T Corp. to Discontinue Communications Services is Granted*, WC Docket No. 21-296 (Dec. 14, 2021), available at: <https://docs.fcc.gov/public/attachments/DA-21-1554A1.pdf>.

<sup>38</sup> *Ibid.*

allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure.

Comments were filed on \_\_\_\_\_ by \_\_\_\_\_, and reply comments were filed on \_\_\_\_\_ by \_\_\_\_\_.

### **5. Assignment of Proceeding**

Darcie L. Houck is the assigned Commissioner and Jason Jungreis is the assigned ALJ in this proceeding.

### **Findings of Fact**

1. AT&T's May 14, 2021, Application, June 28, 2021, First Customer Notice, July 29, 2021, Second Customer Notice, and October 29, 2021, Third Customer Notice provided adequate notice to the Commission and to its customers that it intended to end its telecommunications service in its territory.

2. Frontier, the Arranged Carrier, was the underlying Network Service Provider in the territory.

3. There were approximately 2700 residential customers with a total of approximately 2900 telephone lines in this AT&T service territory.

AT&T's Exit Plan and its First Customer Notice, Second Customer Notice, and Third Customer Notice each were reviewed and approved by the Commission's Telecommunications Division staff.

4. AT&T complied with all the requirements found in the Guidelines.

5. AT&T no longer serves residential customers in California.

6. The FCC granted AT&T's application to discontinue AT&T Residential Local Service throughout its service territory in California.

### **Conclusions of Law**

1. AT&T should be granted authorization to discontinue providing residential service in Frontier territory.

2. AT&T should be allowed to relinquish its ETC designation and discontinue its status as a LifeLine service provider in California.
3. Application 21-05-007 should be closed.

**O R D E R**

**IT IS ORDERED** that:

1. AT&T Corp. (U5002C) is authorized to discontinue providing residential service in Frontier California (U5002C) territory.
2. AT&T Corp. (U5002C) may relinquish its Eligible Telecommunications Carrier designation and discontinue its status as a LifeLine service provider in California.
3. Application 21-05-007 is closed.

This order is effective today.

Dated \_\_\_\_\_, at Sacramento, California.